



THE COMMONWEALTH OF MASSACHUSETTS
OFFICE OF CONSUMER AFFAIRS AND BUSINESS REGULATION

**DEPARTMENT OF
TELECOMMUNICATIONS & ENERGY**

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July 20, 2005

VIA EMAIL AND USPS

Thomas P. O'Neill, Senior Counsel
KeySpan Energy Delivery
52 Second Avenue
Waltham MA 02451

RE: KeySpan Energy Delivery, D.T.E. 05-40

Dear Attorney O'Neill:

Enclosed please find the first set of information requests issued by the Department of Telecommunications and Energy in the above-captioned matter. Please submit KeySpan Energy Delivery's responses to the Department on or before 5:00 p.m., Wednesday, August 3, 2005, as outlined below. If you have any questions regarding the information requests, please contact me at 617-305-3561.

Sincerely,

/s/

Carol M. Pieper
Hearing Officer

Encs.

cc: D.T.E. 05-40 Service List (w/encs.)

COMMONWEALTH OF MASSACHUSETTS

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DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY

FIRST SET OF INFORMATION REQUESTS OF THE DEPARTMENT OF TELECOMMUNICATIONS AND ENERGY TO KEYSpan ENERGY DELIVERY, D.T.E. 05-40

Pursuant to 220 C.M.R. § 1.06(6)(c), the Department of Telecommunications and Energy (“Department”) submits to KeySpan Energy Delivery the following Information Requests.

Instructions

The following instructions apply to this set of Information Requests and all subsequent Information Requests issued by the Department in this proceeding.

1. Each request should be answered in writing on a separate, three-hole punch page with a recitation of the request, a reference to the request number, the docket number of the case, and the name of the person responsible for the answer.
2. Do not wait for all answers to be completed before supplying answers. Provide the answers as they are completed.
3. Please refer to the following memorializations as used in the Information Requests:

Boston Gas Company (“Boston Gas”), Colonial Gas Company (“Colonial Gas”), Essex Gas Company (“Essex Gas”), collectively KeySpan Energy Delivery Services New England (“KeySpan” or “KEDNE”);
Alberta Northeast Gas Ltd. (“ANE”);
Algonquin Gas Transmission Company (“Algonquin”);
Iroquois Gas Transmission System, L.P. (“Iroquois”);
Tennessee Gas Pipeline Company (“Tennessee”);
TransCanada Pipelines Limited (“TransCanada”); and
Union Gas Limited (“Union”).
4. These requests shall be deemed continuing so as to require further supplemental responses if KeySpan or its witnesses receives or generates additional information within the scope of these requests between the time of the original response and the close of the record in this proceeding.
5. The term “provide complete and detailed documentation” means:

Provide all data, assumptions and calculations relied upon. Provide the source of and basis for all data and assumptions employed. Include all studies, reports and planning documents from which data, estimates or assumptions were drawn and support for how

the data or assumptions were used in developing the projections or estimates. Provide and explain all supporting workpapers.

6. The term “document” is used in its broadest sense and includes, without limitation, writings, drawings, graphs, charts, photographs, phono-records, microfilm, microfiche, computer printouts, correspondence, handwritten notes, records or reports, bills, checks, articles from journals or other sources and other data compilations from which information can be obtained and all copies of such documents that bear notations or other markings that differentiate such copies from the original.
7. If any one of these requests is ambiguous, notify the Hearing Officer so that the request may be clarified prior to the preparation of a written response.
8. Please file one copy of the responses with Mary L. Cottrell, Secretary of the Department; also submit two (2) copies of the responses to Carol M. Pieper, Hearing Officer, one (1) copy of the responses to Andreas Thanos, Assistant Director, Gas Division, one (1) copy of the responses to Rebecca Hanson, Analyst, Gas Division, and one (1) copy of the responses to Elizabeth Jackson, Analyst, Gas Division.
9. In addition to filings, all non-proprietary responses should be submitted by e-mail to dte.efiling@state.ma.us and to the e-mail address of any party required to be served.
10. Responses are due on or before Wednesday, August 3, 2005.

Requests

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| DTE 1-1 | Please explain how Boston Gas, Colonial Gas, and Essex Gas customers would benefit from the proposed agreements. Please explain the individual company benefits to their customers. |
| DTE 1-2 | Please provide all workpapers and documentation used to determine any positive or negative financial effects on consumers under the TransCanada and Union agreements. |
| DTE 1-3 | Please explain in detail how this proposal is consistent with the Company’s most recently approved Forecast and Supply Plan. Please refer the Department to the relevant pages of the Company’s filing and/or relevant pages of the Department’s decision. State whether this proposal is expected to be consistent with the Forecast and Supply Plan the Company anticipates filing in Fall 2005. |

- DTE 1-4 Please identify any company-specific terms that may be contained in the following documents for Boston Gas, Colonial Gas, and Essex Gas:
- (a) Precedent Agreements;
 - (b) Financial Assurances Agreements;
 - (c) Transportation Contracts;
 - (d) Backstop Agreements; and
 - (e) Cost Sharing Agreements.
- DTE 1-5 Please refer to page 3 of the Petition where the Company indicates it “updated” its forecast of sendout requirements in the Supply Plan for the period of November 1, 2004 through October 31, 2009. Please provide that “updated” study and all workpapers related thereto.
- DTE 1-6 Please refer to page 6, lines 3-5, of Mr. Allocca’s prefiled testimony. Please discuss why the initial term was set at ten years rather than through the expiration of the existing contracts with Iroquois and Tennessee.
- DTE 1-7 Please refer to page 6, lines 5-8, of Mr. Allocca’s prefiled testimony. Please clarify when KEDNE expects to enter into the separate agreements for the purchase of gas at Dawn.
- DTE 1-8 Please refer to page 6, lines 6-8, of Mr. Allocca’s prefiled testimony. Please explain why Parkway was selected as the deliver point for the transport of gas from Dawn. State whether delivery of gas to Waddington was considered as an option, and further provide the Company’s rationale for such consideration.
- DTE 1-9 Please refer to page 6, lines 8-10, of Mr. Allocca’s testimony. Please provide information clarifying “the time necessary for Transcanada and Union to construct the required facilities.”
- DTE 1-10 Please refer to page 6, lines 13-17, of Mr. Allocca’s testimony. Please describe all “options for alternative arrangements” considered and provide workpapers and documentation supporting the analyses.
- DTE 1-11 Please refer to page 7, lines 17-19, of Mr. Allocca’s testimony. Mr. Allocca states that a disadvantage of procuring gas at AECO would be the obligation to pay TransCanada’s Longhaul Transportation demand charge plus 5% fuel costs. Please address whether there are any other options to paying those charges, such as released capacity, bundled service, or negotiated rates.

- DTE 1-12 Referring to page 9, lines 13-17, of Mr. Poe's testimony, please provide copies of any feedback from Marketers regarding the Union and TransCanada contract information presented in the May 2005 letter.
- DTE 1-13 Referring to page 8 of Mr. Poe's testimony, the Company states that the TransCanada and Union agreements will be available to supply the Company's entire system. Would the TransCanada and Union supply be restricted on the Tennessee or Algonquin pipelines at any point in time or any system area at any time.
- DTE 1-14 Referring to Exhibits JEA-1, JEA-3, and JEA-5, please identify any terms of the Firm Transportation Contract (Dawn to Parkway) that vary from Union's standard transportation contract. If there are such terms, please explain why they are necessary and address the benefits of such terms to KeySpan and its customers
- DTE 1-15 Referring to Exhibits JEA-8, JEA-11, and JEA-14, please explain why the Financial Assurances Agreements are necessary. State the amount of the financial exposure to KeySpan under each of the Financial Assurances Agreements.
- DTE 1-16 Referring to Exhibit JEA-16, please explain the basis for the five-year term of the ANE Agency Agreement.
- DTE 1-17 Please refer to Exhibit JEA-17. Please indicate what factors may account for the three spikes shown on that Exhibit.
- DTE 1-18 Please refer to JEA-19. Please provide the workpapers and assumptions that were made to create the Exhibit. Explain in detail what is meant by a "rearview mirror forecast."
- DTE 1-19
- A. For each year of the currently approved Forecast and Supply Plan (DTE 01-105), please present, in tabular and graphic format, the increases in demand for each of the Companies' customer classes.
 - B. Referring to Exhibit TEP-2, to what factors does the Company attribute the increase in demand from 2004/2005 to 2008/2009.

Dated: July 20, 2005